

October 30, 2001

The Honorable Mayor and City Council
City of Riverside, California

I am pleased to submit the Fiscal Year 2001/02 Final Budget adopted by the City Council on June 12, 2001. This budget totals \$516,808,966 and is a financial plan set by the Mayor, City Council, and staff to guide the City during the year ahead as it continues to provide excellent municipal services to the community.

Nearly one year ago, the City began an effort to transform the way that government services are provided to the community. Integrating the principles of "High-Performance Organizations" (HPO) and "Managing for Results" (MFR) has meant that government is to be operated in a radically different way. We are far from finished but we are proud to report that we are well on our way. In fact, in just one year's time, we have revisited or established mission statements, organized departments into programs, defined program goals and desired outcomes, broken down programs into a series of activities, and identified performance measures aligned all the way up to City Council priorities for each of the City's 17 departments.

This budget represents the work that has been accomplished thus far. Although the actual performance measures won't be a part of the budget document until next year, this document represents hours of staff time devoted to improving organizational operations. Already, you can see the fruits of their labor.

Below is a brief summary of some of the significant budget changes in the final budget.

General Fund

Improving Neighborhood Livability

- Added \$70,000 to the Park and Recreation Department to cover costs of weekend custodial services in 9 parks.

Public Safety

- The City Council approved an agreement with Affiliated Computer Services (ACS) for \$75,000 to provide the Police Department with the administration of mobile data terminals/computers.
- Added \$200,000 to Public Works to provide for the timely replacement of sidewalks and sewer laterals damaged by tree roots.

Economic Development

- Added \$92,000, and transferred \$108,000 from Professional Services, to Marketing and Advertising in the Development Department - Economic Development Division. The funds will enhance the division's ability to effectively coordinate marketing, advertising, and promotional activities, as well as to provide timely follow-up with businesses considering locating in Riverside.
- Added \$37,500 to upgrade the Planning Department's Permitting System.
- Added 1.0 FTE Plans Examiner position to Planning/Building and Safety.
- Added \$8,000 to upgrade front-counter personnel to provide better technical assistance to Planning Department customers.

Multicultural Community

- Provided a one-time matching fund of \$50,000 for the purpose of constructing an exterior elevator at the Riverside Arts Museum to provide increased second floor access to disabled visitors.

Other additions

- Added \$66,730 to cover various mid-level management positions citywide that were found to be below current pay levels based on a salary survey conducted by Human Resources.

Central Service Fund (102)

More Effective Communication with the Public

- Added 1.0 FTE Public Information Representative position to the Finance Department to fill the Information Desk on the first floor lobby of City Hall.

- Added 1.0 FTE Human Resource Specialist position and 3.0 FTE Clerk II positions to Human Resources to improve internal and external communication and customer service. In addition, \$30,475 was added to fully implement the optical imaging and records storage system.
- Added \$65,000 to initiate the internal infrastructure to support the Technology Refreshment Program. This program will enable departments to continuously update desktop computers so that they are able to provide city customers with the most up-to-date and reliable service.

Other

- Added \$145,000 to Human Resources to expand citywide Career Development and Training Programs in order that employees may maintain and improve their skills, abilities and behaviors.
- Added \$50,000 to fund educational reimbursement for employees taking classes to improve their job related skills and/or working toward an Associate of Arts, Bachelor's Degree or Master's Degree.

Community Development Fund (220)

Economic Development

- Added \$6,784 to allow for the proper level of support demanded by the CDBG program commitments.

Library Fund (210)

More Effective Communication with the Public

- Added 1.0 FTE Library Digital Systems Specialist position to direct the development of the Library Department's digital information resources.

Regional Park Special Capital Improvement Fund (413)

Improving Neighborhood Livability

- Appropriated \$320,270 of the Regional Park Fee Revenue for use on projects to reduce erosion, repair damage due to vandalism, and to repair pedestrian trails to increase the safety of park users at Mt. Rubidoux.

Electric & Water Funds (510 and 520)

Other additions

- Negotiated fringe benefit resolutions for Public Utilities in the amount of \$798,695.
- The City Council approved an agreement with Affiliated Computer Services (ACS) for \$56,686 to provide Public Utilities with technical support during their extended customer service hours (Saturdays).

Refuse Fund (540)

Improving Neighborhood Livability

- Added \$11,838 to Keep Riverside Clean and Beautiful to cover costs related to coordination of the Tree Project.

Summary of Changes by Category

Expense Category	Preliminary	Change	Final
Personnel Services	140,084,782	1,744,328	141,829,110
Non-Personnel Expense	206,502,708	42,880,347	249,383,055
Equipment Outlay	8,230,048	32,665	8,262,713
Capital Outlay	55,436,760	270,270	55,707,030
Special Projects	23,718,471	483,108	24,201,579
Debt Service	50,739,300	(120,650)	50,618,650
Charges from Others	46,873,676	2,211,191	49,084,867
Charges to Others	(60,049,056)	(2,228,982)	(62,278,038)
Total	471,536,689	45,272,277	516,808,966

Attached to this letter is an updated summary of approved funding for specific operating funds and a summary for all funds by category (Attachment A).

Respectfully submitted,

Lawrence E. Paulsen
Interim City Manager

Attachment A

Table of changes in proposed funding for specific operating funds:

FUND	2000-01	2001-02	CHANGE	% CHG
General Fund	116,291,921	128,725,112	12,433,191	10.6
Development	3,690,828	4,078,903	388,075	10.5
Library	4,773,191	5,306,446	533,255	11.2
Comm Dev Blk Grant	3,556,740	3,659,000	102,260	2.9
Electric ¹	180,364,657	239,457,319	59,092,662	32.8
Water	45,034,965	49,885,527	4,850,562	10.8
Refuse	10,712,032	11,055,685	343,653	3.2
Sewer Service	19,310,082	20,346,622	1,036,540	5.4
Sewer Projects	257,323	4,747,963	4,490,640	1745.1
Airport Funds	854,293	930,628	76,335	8.9

Changes in proposed funding by various categories Citywide, all funds:

Expense Category	2000-01	2001-02	CHANGE	% CHG
Personnel	126,115,642	141,829,110	15,713,468	12.4
Non-Personnel	191,894,248	249,383,055	57,488,807	29.9
Equip. Outlay	6,919,326	8,262,713	1,343,387	19.4
Capital Imp.	46,679,660	55,707,030	9,027,370	19.3
Special Projects	20,722,881	24,201,579	3,478,698	16.7
Debt Service	51,889,314	50,618,650	(1,270,664)	(2.4)
Chgs. Fr. Others	43,118,253	49,084,867	5,966,614	13.8
Chgs To Others	(55,320,301)	(62,278,038)	(6,957,737)	12.5
Totals	432,019,023	516,808,966	84,789,943	19.6

¹ Includes Fund 511 for the Public Benefits Surcharge Fund